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Sino-Indian Border Dispute: Nehru is reported to expect Chou En-lai to come to New Delhi in April with a fairly strong negotiating position. He believes that Chou, having reached a border agreement with Burma and possibly with Nepal by that time, will suggest that India be equally reasonable. He also thinks that China, to indicate its own reasonableness, may offer to withdraw Chinese troops from Longiu outpost in Assam. Inasmuch as Nehru feels that negotiations probably will be concentrated on the northeastern portion of the Kashmiri province of Ladakh, he is faced with the problem of how to reconcile his public statement that he will "give nothing away" with the probability that the Chinese will insist on holding the territory they now occupy there. Nehru reportedly has said he would accept a solution calling for neutralization of the disputed territory in Ladakh. The Chinese, however, have already rejected a similar proposal.

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Philippines: President Garcia's recent speech to a convention of Philippine businessmen, in which he promised full implementation of his "Filipino First" economic policies, is a further indication of his determination to make political capital out of growing Philippine nationalism. The program, aimed at

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DAILY BRIEF

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achieving "economic independence," has led to increasing restrictions on foreign business activity, including that of American firms. The "Filipino First" slogan appears to be extending into the foreign policy field, with Philippine officials beginning to voice the need for greater "national self-assertion."

III. THE WEST

France-Algeria: De Gaulle's 3 March statement at Constantine that the Algerian problem cannot be settled for a long time and only after the victory of French arms probably has the double purpose of reassuring the French Army and putting pressure on FLN leaders to speed cease-fire talks. By confining his Algerian tour to military field installations, De Gaulle is further emphasizing his interest in army operations and in officer opinion.

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DAILY BRIEF

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Philippine President Emphasizes "Filipino First" Policy

President Garcia's determination to capitalize on growing Philippine nationalist sentiment has been emphasized in his recent speech to the Philippine Chamber of Commerce promising full implementation of his "Filipino First" policy in order to wrest control of the economy from "alien domination." Garcia's remarks are likely to encourage the congressional clamor for legislative restrictions on foreign nationals and firms in the Philippines. In addition to an existing law, aimed primarily at the Overseas Chinese, for the gradual exclusion of aliens from the country's retail trade, there has been a growing tendency to apply discriminatory administrative measures to all foreign businessmen, including Americans.

Despite the relatively weak appeal of the administration's "Filipino First" slogan in last November's senatorial and local elections, Garcia may hope that continued exploitation of nationalist sentiment will divert attention from the opposition's effective attack on government inefficiency and corruption. He may increasingly seek to place the blame for his domestic failures on close ties with the United States. A developing Philippine tendency to make unilateral reinterpretations of existing agreements with the United States may indicate that the "Filipino First" theme is being extended from commercial to foreign policy questions.

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III. THE WEST

De Gaulle Says Algerian Settlement Possible Only After Military Victory

President de Gaulle's statement on 3 March that the Algerian problem would not be settled for a long time, and only after the victory of French arms, is his toughest public statement yet on the Algerian problem and probably reflects his mounting irritation with FLN slowness in moving toward a cease-fire. The statement is almost certainly an attempt to bring additional pressure on FLN leaders. The French President has indicated that he hoped to achieve a settlement in Algeria prior to Khrushchev's visit in mid-March. De Gaulle has not yet mentioned the 29 February statement of rebel leader Ferhat Abbas, but French officials in Tunis have indicated that it was regarded by Paris as "constructive in tone."

The statements, made to French Army officers at Constantine, the first stop on a tour of military installations in Algeria, are probably also intended to reassure the army in the wake of the repression of the January "revolt" and the resulting command shifts. De Gaulle stated clearly that "France must stay in Algeria," although he said the conditions would depend on the wishes of the inhabitants. De Gaulle is probably also attempting to sound out army opinion and gauge army sentiment on moving ahead with self-determination.

De Gaulle's omission of the city of Algiers from his tour			
may have been partly on security grounds but was probably also			
a way of implying to the army that he is satisfied with the prog-			
ress in shifting local administration from army to civilian con-			
trol. On the eve of De Gaulle's arrival in Constantine, a direc-			
tive of the Delegate General explained that the shift was made to			
permit the army to concentrate on "operational action."			
 			

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